

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Behavioral Health	<b>(2) MEETING DATE</b> 2/24/2015	<b>(3) CONTACT/PHONE</b> Machelie Vieux, Interim Director General Services, 781-5200 Jeff Hamm, Health Agency Director, 781-5500	
<b>(4) SUBJECT</b> Request to approve creation of a capital project and authorize a budget adjustment in the amount of \$625,000 from Government Building Replacement funds and departmental savings for a maintenance project to provide additional office space at the Health Campus located at 2180 Johnson Ave., San Luis Obispo. (District 3).			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Create a new maintenance project to provide additional office space for Health Agency staff at the Health Campus located at 2180 Johnson Ave., San Luis Obispo.</li> <li>2. Authorize a budget adjustment, in the amount of \$625,000, to transfer funds (\$536,000) from reserve account 1202500000-Gen Gov Building Replacement and \$89,000 in savings from Public Health Fund Center 160 to Fund Center 200, Maintenance Projects, to create the Health Campus Annex remodel project. (4/5 vote required).</li> </ol>			
<b>(6) FUNDING SOURCE(S)</b> Gen Gov Building Repl Fund, Unanticipated Revenue, Salary Savings	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$625,000.00	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$0.00	<b>(9) BUDGETED?</b> No
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: 1415070 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> N/A	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input checked="" type="checkbox"/> N/A    Date: _____	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b> Leslie Brown			
<b>(18) SUPERVISOR DISTRICT(S)</b> All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency  
Machelle Vieux, Interim Director General Services, 781-5200  
Jeff Hamm, Health Agency Director, 781-5500

DATE: 2/24/2015

SUBJECT: Request to approve creation of a capital project and authorize a budget adjustment in the amount of \$625,000 from Government Building Replacement and departmental savings for a maintenance project to provide additional office space at the Health Campus located at 2180 Johnson Ave., San Luis Obispo. (District 3).

## **RECOMMENDATION**

It is recommended that the Board:

1. Create a new maintenance project to provide additional office space for Health Agency staff at the Health Campus located at 2180 Johnson Ave., San Luis Obispo.
2. Authorize a budget adjustment, in the amount of \$625,000, to transfer funds (\$536,000) from reserve account 1202500000-Gen Gov Building Replacement and \$89,000 in savings from Public Health Fund Center 160 to Fund Center 200, Maintenance Projects, to create the Health Campus Annex remodel project. (4/5 vote required).

## **DISCUSSION**

The Health Campus Annex remodel project at 1280 Johnson Ave., San Luis Obispo, is proposed in response to significant staffing growth at the Health Campus and the inability to find adequate office space currently to meet the anticipated growth. Specifically, 25.25 FTE's were approved as part of the FY 2014-15 budget process and prior to that an additional 14 new positions were approved by the Board during the FY 2013-14 year. Twenty-one (21) of those new positions are currently or will be housed at the Health Campus in San Luis Obispo.

The growth in staff and subsequent additional office space needed is in part stemming from a number of health related initiatives mainly within Behavioral Health. The largest of these being the expansion of Medi-Cal coverage and the increased scope of Drug Medi-Cal benefits for Substance Use Disorder (SUD) services. These increased benefits, as part of provisions within the Affordable Care Act (ACA), went into effect on January 1, 2014 and as a result have necessitated increased staffing to meet the demand of additional services. An additional nine (9) Behavioral Health staff, located specifically at the Health Campus, will require a new work space stemming from Medi-Cal expansion and the increased scope of SUD services under Medi-Cal. Also impacting office space capacity is the implementation of the Katie A. settlement agreement, Healthy Families transition to Medi-Cal, as well as the approval to launch an Outpatient Detox program in San Luis Obispo. The new Katie A, Healthy Families and Detox services has added an additional six (6) Behavioral Health staff to the existing Health Campus facility. Delays in filling staff positions related to the ACA have benefited the Agency by easing the immediate need for space. Also, a notice of lease termination was issued to Community Health Centers (CHC) in December 2013 to vacate the approximate 4,000 square feet of office space they leased from the County in the Health Campus Annex where they were providing Pharmacy and Radiology services. The additional space is needed to meet the Health Agency's anticipated growth. Delays by CHC in securing their required State Pharmacy License, required for their proposed new site, has delayed the Health Campus Annex project by over a year.

The Health Campus currently supports a number of Health Agency programs for both the Behavioral and Public Health

departments and space is very limited. The project is only proposing to remodel the existing space located at the Health Campus. The project specifically addresses reconfiguring the existing lobby space in the Women's Infant Children (WIC) program, expanding the former CHC leased space within the Annex to include more offices and group/conference room capacity, and a remodel of the current cafeteria space which will result in four new offices and conference room.

Specifically, the project will remodel three main areas of the Health Campus into new office space for the expanding Health Agency staff, per the following:

#### **Annex Building:**

1. Interior remodel of the space formerly leased to CHC to create a new IT Department office area housing ten (10) IT staff, three (3) additional private staff offices, Conference Room, Break Room, and an additional large Group Room with seating up to twenty four (24) to hold Driving Under the Influence (DUI) education classes. The existing IT space, currently on the second floor of the Health Campus, will be available to meet existing program needs. Specifically, the renovation includes electrical and HVAC upgrades, new roof insulation, replacement of twenty-four single pane windows with new energy efficient dual glazed windows, and ADA compliant restrooms.
2. Interior remodel to create two (2) additional private staff offices and a new ADA compliant receptionist area at the existing WIC space. The additional two offices will help ease current overcrowding within the Health Promotion division of Public Health.

#### **Health Agency Building:**

1. Interior remodel of the existing Cafeteria space into new offices for the Health Services' division of Public Health. The space currently occupied by Health Services, on the first floor of the Health Campus, will be converted into private office space for Behavioral Health staff. The former cafeteria space will be reconfigured to create two (2) new private and two (2) shared offices and a large Group Room. The cafeteria space gets minimal use by the public and staff. The scope of work includes new partition walls, new ceilings and light fixtures and electrical and HVAC upgrades.

Architectural Services issued bid documents to the County's Job Order Contracting (JOC) contractor, Newton Construction, Inc., on December 15, 2014. Newton Construction submitted their price proposal on January 5, 2015 and the construction cost in Table #1 below incorporates the final negotiated price to perform construction services for the project.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

General Services and the County Health Agency are involved in the planning, design and construction impacts of the project. The Administration Office was involved in the determination of funds available in the Gen Government Building Replacement fund.

#### **FINANCIAL CONSIDERATIONS**

The estimated cost of the project is outlined in Table #1 below.

Table #1

<b>PROJECT BUDGET</b>	
Estimated administrative costs	\$38,400
Consultant costs:	
a. Arch/Engineer Consultant	\$19,000
b. JOC Consultant	\$7,600
c. Testing & Inspection	\$1,000
Construction Contract	\$400,000
Furniture, Fixtures & Equipment	\$103,000
Other Construction contracts, contingency, and inflation factors	\$56,000
<b>Total Project Cost</b>	<b>\$625,000</b>

The one-time cost associated with the remodel of the Health Campus and Annex space is estimated to be \$625,000. Project funding will be provided from the following sources:

1202500000-General Govt. Building Replacement fund	\$536,000
Unbudgeted lease revenue – CHC Annex	\$ 48,000
Public Health salary savings	\$ 41,000

Funds for the remodel were set aside at the end of last fiscal year in the amount of \$536,000 and placed in the General Government Building Replacement fund. Unfortunately the project estimate came in higher than the amount set aside at the end of last fiscal year.

As mentioned, the project was expected to start sooner but has been delayed by CHC as they wait for state pharmacy licensure approval. While CHC continued to occupy the space, they paid an additional \$48,000 in lease payments that were not included in the current FY 2014-15 budget. In addition, \$41,000 in Public Health salary savings is identified to make up the remaining balance necessary to fund the project. The project costs include \$38,400 of General Service staff to administer the project, \$427,600 in contractor & consultant costs, \$103,000 in furniture, and contingencies of \$56,000 for unanticipated change orders.

## **RESULTS**

Approval and construction of the project will provide a much needed increase in the number of workspaces for Health Agency staff, increase the energy efficiency of the Annex building resulting in energy savings, and provide necessary programmatic spaces to aid in the Health Agency's ability to serve the varied needs of both their staff and the general public. The project will add an additional 5,500 square feet of remodeled office space and 1,000 square feet in group/conference rooms. By providing the appropriate office and ancillary space, the Health Agency strives to contribute to the County's desired community-wide result of a Healthy Community.